




SO ORDERED.

SIGNED this 11 day of December, 2024.


Joseph N. Callaway
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
GREENVILLE DIVISION

In the Matter of:
LEGACY ENTERPRISES OF
NORTH AMERICA, LTD
Debtor

Chapter 11
Case No.: 24-03477-5-JNC

**ORDER GRANTING MOTION FOR TURNOVER OF PROPERTY OF THE
BANKRUPTCY ESTATE**

THIS MATTER, coming on to be heard before the assigned Bankruptcy Judge, upon Debtor's Motion For Turnover of Property of the Bankruptcy Estate ("Motion"); and it appearing to the Court that proper notice was provided to the parties in interest, and no objections having been filed; and it further appearing that sufficient cause has been shown; therefore, makes the following FINDINGS OF FACT and CONCLUSIONS OF LAW:

1. This court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 151, 157, and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(E).
2. On or about October 4, 2024, Debtor filed its Voluntary Petition for relief under Subchapter V of Chapter 11 of the Bankruptcy Code (the "Petition Date"). Joseph Frost was duly appointed Subchapter V Trustee and continues to serve in that capacity.
3. Included on the Debtor's Schedule A/B are five 2017 Freightliner trucks:

VIN 3AKJGLDR6HDHN5808,

VIN 3AKJGLDR4HDHN5810,

VIN 3AKJGLDR8HDHN5812,

VIN 3AKJGDR7HSHU4067, and

VIN 3AKJGLDR8HSHU4059

(the Freightliner trucks with VINs ending in 5810, 5808, 582, 4067, and 4059 may be referred to collectively hereinafter as the “Trucks”).

4. On the Petition Debtor, Debtor estimated that the Trucks combined value was \$115,000.00.

5. On October 8, 2024, BMO Harris Bank (“BMO”) filed a secured claim [Clm. No. 1] in the amount of \$47,517.99 asserting a lien on trucks ending in VIN Nos. 4067 and 4059.

6. On October 22, 2024 Hunting National Bank (“Huntington”) filed a secured claim in the amount of \$292,415.81, asserting a lien on trucks ending in VIN Nos. 5808, 5810, 5812. [Clm. No. 3]

7. Pre-petition Debtor’s Trucks were being garaged at a facility known as R1 Truck Repair Inc. (“R1”) located in Broadview, Illinois.

8. On the Petition Date, Debtor scheduled an amount owed to R1 of \$40,000.00.

9. On October 31, 2024, Debtor filed its Amendments to Schedule E/F – Unsecured Creditors, which *inter alia*, amends the scheduled amount owed to R1 to include that such is “Disputed.” [Doc. No. 21, p. 1, 5]

10. As of the filing of this Motion, R1 has not filed a proof of claim.

11. Debtor has repeatedly requested turnover of the Trucks from R1, and R1 has refused to turnover the Trucks, instead, stating that Huntington took possession of the Trucks from R1.

12. Debtor has requested to be informed of where the Trucks are located but has received no response from R1 other than that Huntington took possession of the Trucks.

13. Huntington’s counsel has informed Debtor’s counsel that Huntington does not have possession of the Trucks.

14. Huntington’s counsel also informed Debtor’s counsel that Huntington contacted R1 via phone to try and locate the Trucks, and R1 denied knowing anything about the Trucks and

intentionally disconnected the call.

15. David Faulk, President of Debtor, (“Mr. Faulk”) visited the R1 site and personally viewed the following Trucks at R1: 5808; 5810; and 5812. Mr. Faulk also observed 4059 being operated by a driver working for a company affiliated with R1.

16. Upon information and belief, R1 has possession of the Trucks and is attempting to conceal them from Debtor in order to retain possession of the Trucks due to Debtor owing R1 a pre-petition debt.

17. Debtor relies on the Trucks to operate its trucking business. If Debtor had possession of the Trucks, it would utilize them to generate funds to pay debts.

18. Further, the Trucks are property of Debtor and the bankruptcy estate necessitating their immediate turnover.

IT IS HEREBY ORDERED that the Debtor’s Motion is GRANTED and that R1 shall immediately turnover the Trucks to Debtor.

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